

REPUBLIC OF SOUTH AFRICA

ROAD ACCIDENT FUND AMENDMENT BILL

*(As introduced in the National Assembly as a section 75 Bill; explanatory summary of Bill
published in Government Gazette No 23487 of 6 June 2002)
(The English text is the official text of the Bill)*

(MINISTER OF TRANSPORT)

[B 27—2002]

REPUBLIEK VAN SUID-AFRIKA

WYSIGINGSWETSONTWERP OP DIE PADONGELUKFONDS

*(Soos ingedien by die Nasionale Vergadering as 'n artikel 75-wetsontwerp; verduidelikende
opsomming van Wetsontwerp in Staatskoerant No 23487 van 6 Junie 2002 gepubliseer)
(Die Afrikaanse teks is die amptelike vertaling van die Wetsontwerp)*

(MINISTER VAN VERVOER)

[W 27—2002]

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MEMORANDUM ON THE OBJECTS OF THE ROAD ACCIDENT FUND AMENDMENT BILL, 2002

1. INTRODUCTION

- 1.1 The Road Accident Fund (“the Fund”) is a national public entity established in terms of the Road Accident Fund Act, 1996 (Act No. 56 of 1996) (“the principal Act”) for the purpose of paying compensation in accordance with that Act for loss or damage wrongfully caused by the driving of motor vehicles.
- 1.2 The Fund has a Board that exercises overall authority and control over the financial position, operation and management of the Fund, subject to the powers of the Minister of Transport. The constitution of the Board is governed by section 10 of the principal Act.

2. SCOPE AND OBJECT OF BILL

The Road Accident Fund Amendment Bill, 2002 (“the Bill”) amends section 10 of the principal Act in three respects :

- 2.1 Section 10(1)(a) of the principal Act provides that the Director-General: Transport is a member of the Board, without permitting the Director-General to be represented by a substitute when this may be necessary.

Clause 1(a) of the Bill enables the Director-General: Transport to designate any other senior officer in the national Department of Transport as a substitute if, as and when necessary.

- 2.2 Section 10(1)(b) of the principal Act provides for the Board to have at least 11, but not more than 12, other members appointed by the Minister of Transport.

Clause 1(b) of the Bill renders this provision more flexible and provides for an appointed membership of at least 8, but not more than 12.

- 2.3 Section 10(9) of the principal Act provides for a public and transparent, but also costly and time-consuming process whenever persons are appointed to the Board. This process commences with the publication by the Minister of a call for nominations, followed by the publication of a list of nominees, the establishment of a five-member selection committee on which the two Houses of Parliament are also represented, public interviews of the nominees, and finally the making of recommendations by the selection committee to the Minister. The principal Act does not distinguish between the appointment of a full, new Board, which takes place every three years, and the filling of an occasional vacancy on the Board. A number of vacancies have occurred on the Board since October 2001.

Clause 1(c) and (d) of the Bill enables the Minister to fill an occasional vacancy by appointing any other person to serve on the Board for the unexpired portion of the previous member’s three-year term of office.

- 2.4 Clause 2 of the Bill provides for the short title.

3. CONSULTATIVE PROCESS

The Board and Management of the Road Accident Fund have been consulted.

4. FINANCIAL IMPLICATIONS FOR STATE

The Bill has no financial implications for the State.

5. PARLIAMENTARY PROCEDURE

In the opinion of the Department of Transport and the State Law Advisers, the Bill should be dealt with in accordance with section 75 of the Constitution. It contains no provision to which the procedures laid down in sections 74 and 76 of the Constitution are applicable.